Senate Study Bill 3058 - Introduced

SEN	ATE FILE
ВУ	(PROPOSED COMMITTEE
	ON COMMERCE BILL BY
	CHAIRPERSON CHAPMAN)

A BILL FOR

- 1 An Act defining marketplace contractors and designating
- 2 marketplace contractors as independent contractors under
- 3 specified circumstances.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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- 1 Section 1. NEW SECTION. 93.1 Definitions
- 2 As used in this chapter, unless the context otherwise
- 3 requires:
- 4 1. "Governmental entity" means the same as defined in
- 5 section 96.19.
- 6 2. "Indian tribe" means the same as defined in section
- 7 96.19.
- 8 3. "Marketplace contractor" means a person who does all of
- 9 the following:
- 10 a. Enters into a written agreement with a marketplace
- ll platform to use the marketplace platform's digital network
- 12 to connect with individuals or entities that seek to obtain
- 13 services from the marketplace contractor.
- 14 b. Performs services for individuals or entities upon
- 15 connection through a marketplace platform's digital network in
- 16 exchange for compensation or payment of a fee.
- 17 4. "Marketplace platform" means a person who operates
- 18 a digital network to connect marketplace contractors to
- 19 individuals or entities that seek to obtain the type of
- 20 services offered by marketplace contractors.
- 21 5. "Person" means the same as defined in section 4.1.
- 22 Sec. 2. NEW SECTION. 93.2 Marketplace contractors as
- 23 independent contractors retroactivity.
- 24 1. A marketplace contractor shall be treated as an
- 25 independent contractor, and not an employee of a marketplace
- 26 platform, for all purposes under state or local law, including
- 27 but not limited to chapters 87 and 96, if the following
- 28 conditions are met:
- 29 a. The marketplace contractor and marketplace platform agree
- 30 in writing that the marketplace contractor is engaged as an
- 31 independent contractor and not an employee of the marketplace
- 32 platform.
- 33 b. The marketplace platform does not unilaterally prescribe
- 34 specific hours during which the marketplace contractor must
- 35 be available to accept service requests submitted through the

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- 1 marketplace platform's digital network.
- 2 c. The marketplace platform does not prohibit the
- 3 marketplace contractor from engaging in outside employment or
- 4 performing services through other marketplace platforms.
- 5 d. The marketplace contractor bears its own expenses
- 6 incurred in performing services.
- 7 2. For services performed by a marketplace contractor prior
- 8 to the effective date of this Act, a marketplace contractor
- 9 shall be treated as an independent contractor and not an
- 10 employee of a marketplace platform for all purposes under state
- 11 or local law, including but not limited to chapters 87 and 96,
- 12 if the conditions set forth in subsection 1 were satisfied at
- 13 the time the services were performed.
- 14 3. This section shall not apply to any of the following:
- 15 a. Services performed by an individual in the employ
- 16 of a governmental entity or Indian tribe, but only if the
- 17 services are excluded from employment as defined in the Federal
- 18 Unemployment Tax Act, 26 U.S.C. §3301-3311, solely by reason of
- 19 section 3306(c)(7) of that Act.
- 20 b. Services performed by an individual in the employ of a
- 21 religious, charitable, educational, or other organization, but
- 22 only if the services are excluded from employment as defined in
- 23 the Federal Unemployment Tax Act, 26 U.S.C. §3301-3311, solely
- 24 by reason of section 3306(c)(8) of that Act.
- 25 EXPLANATION
- The inclusion of this explanation does not constitute agreement with the explanation's substance by the members of the general assembly.
- 28 This bill relates to marketplace contractors.
- 29 The bill defines "marketplace contractor" to mean a person
- 30 who enters into a written agreement with a marketplace platform
- 31 to use its digital network to connect with individuals or
- 32 entities that seek to obtain services from the marketplace
- 33 contractor and who performs services for individuals or
- 34 entities for payment upon connection through a marketplace
- 35 platform's digital network. The bill defines "marketplace

- 1 platform" to mean a person who operates a digital network
- 2 to connect marketplace contractors to individuals or
- 3 entities seeking the type of services offered by marketplace
- 4 contractors.
- 5 The bill provides that a marketplace contractor shall be
- 6 treated as an independent contractor, and not an employee of
- 7 a marketplace platform, for all purposes under state or local
- 8 law, if the following conditions occur: the parties agree
- 9 in writing that the marketplace contractor is an independent
- 10 contractor and not an employee of the marketplace platform; the
- 11 marketplace platform does not unilaterally prescribe specific
- 12 hours during which the marketplace contractor must be available
- 13 to accept service requests; the marketplace platform does not
- 14 prohibit the marketplace contractor from engaging in outside
- 15 employment or performing services through other marketplace
- 16 platforms; and the marketplace contractor bears its own
- 17 expenses incurred in performing services.
- 18 The bill provides that for services performed by a
- 19 marketplace contractor prior to the effective date of the bill,
- 20 a marketplace contractor shall be treated as an independent
- 21 contractor if the conditions set forth in the bill were
- 22 satisfied at the time the services were performed.
- 23 The bill specifies that the bill does not apply to services
- 24 performed by an individual in the employ of a government entity
- 25 or Indian tribe, as defined in the bill, or services performed
- 26 by an individual in the employ of a religious, charitable,
- 27 educational, or other organization, but only if the services
- 28 are excluded from the definition of employment in the Federal
- 29 Unemployment Tax Act.